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THE NATIONAL DEBT PRODUCTIVE OF NATIONAL PROSPERITY.

PRICE, ONE SHILLING AND SIX-PENCE.

Great Britain
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WARRINGTON,

Printed by W. EYRES, for J. JOHNSON, N° 72,
St. Paul's Church-Yard, LONDON.

MDCCLXXXVII.

By Sir Robert Peel
Father of the present
Baronet

INTRODUCTION.

I HAVE long entertained ſentiments reſpecting the National Debt, which have been unſupported by the general ſentiments of mankind. But there are ſeaſons, when to oppoſe the current opinion, would argue great weakneſs, the tide being ſo powerful, as to baffle every attempt to turn it. The preſent flouriſhing ſtate of the nation having, however, proved, that the apprehenſions which have been entertained concerning the debt are ill founded, is natural to con-

jecture, that its operation is not well underſtood. This circumſtance, ſtrenthened by ſome late publications in defence of a national debt, ſaid to poſſeſs great merit, though I have not yet had the good fortune to meet with them, has encouraged me, at this time, to offer my thoughts to the public. And though, I am ſenſible, no perſon ever engaged in a more unpopular cauſe, I have the ſatisfaction to think, that an addreſs to the people of Great Britain on a ſubject of the firſt importance, will not be condemned without a hearing; and that its pretenſions will be decided by men uninfluenced by political prejudice.

In the beginning of the preſent century, when the debt was only in its infancy, the politicians of that time viewed it with ſuch unfavourable impreſſions, that, though the nation did not

not immediately ſink under the preſſure, they imagined it could not ſurvive any conſiderable increaſe.

Succeeding politicians beheld the debt much grown, without diſcerning any ſymptoms of that ruin, which their predeceſſors had foretold: yet they entertained the ſame gloomy ideas of its further progreſs. Nay, though we have the good fortune to be living witneſſes of the fallibility of our forefathers, in this reſpect, yet we are ſtill haunted with the like imaginary fears; and the prevailing opinion now is, that inevitable ruin would accompany freſh loans.

It may not be in my power to bring the political world entirely to think with me on this ſubject; yet I ſhall conſider myſelf as amply repaid, if I have the good fortune to leſſen the

anxiety which has long diſturbed the well-wiſhers of Great Britain, occaſioned by an opinion, that the national debt is an evil proportioned to its magnitude.

I MAY, with ſome degree of reaſon, be charged with preſumption, in oppoſing my ſentiments to thoſe of mankind in general, having abundant cauſe to acknowledge, that neither my abilities, nor the bent of my ſtudies, place me on a level with many, whom I have the honour to call my countrymen. Nor would any confidence have been repoſed in opinions ſo ſingular, if the writer had not given himſelf credit for having diſcovered the *ſource* of the error, which has miſled mankind—their connecting the ſame ideas with the *public* debt, which are drawn from a *private* one. And though he ſhould even ſo far ſucceed, as to make the error

error viſible to all, he is ſtill aware of the difficulty which lies in his way, of inclining the nation to think favourably of TAXES; as it will not eaſily be conceived, that a man is enriched by parting with his property.

SHOULD it, however, appear to thoſe who are pleaſed to give their attention to the ſubject, that the money raiſed by Government, when iſſued from the public purſe, may be conſidered as grain depoſited in the earth, which, when reaped again, yields an increaſe productive of national plenty and proſperity; I contend, that temporary and ſmall inconveniencies ſhould not be placed in competition with the good of the community; and that the private ſhould be ſacrificed to the public welfare.

NOT being a profeſſed writer, I am in no danger of exerciſing thoſe powers, which too often miſlead the judgment, and enliſt numbers in the cauſe of falſehood. I fear, on the other hand, that the want of them may ſubject me to a treatment, ſimilar to that which the traveller meets with, who has the misfortune to appear in a homely dreſs: whatever claim he may have to a favourable reception, ariſing from honeſt intentions, his outward garb generally expoſes him to concontumely or neglect.

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THE

PUBLIC DEBT

PRODUCTIVE OF

NATIONAL PROSPERITY.

IN treating a ſubject, which involves in it the concerns of all claſſes of men, in order that it may be more clearly comprehended, I beg leave to conſider the people of Great Britain as compoſing ONE FAMILY; and, in what regards the welfare and proſperity of the nation, as connected together by ONE COMMON INTEREST. And though this union

may not be ſo viſible in time of peace, owing to the conteſts of party, and little internal diſſentions; yet, in time of war, private conſiderations are loſt in the regard for the public welfare, and the ſubjects of the Britiſh empire embrace each other as BRETHREN.

IN taking a view of the national circumſtances, the attention of the reader is requeſted, to the line which is drawn betwixt its FOREIGN and DOMESTIC connections; the propriety of which will appear obvious from the following conſiderations.

WHATEVER ſum of money is owing by one member of a family to another of the ſame family, cannot in any degree add to, or take from, the quantity of property poſſeſſed by the whole family. The ſame remark may be applied to the nation. Whatever ſum

ſum of money is owing, by the community at large, to a part of the ſame community, cannot, in any degree, increaſe or diminiſh the national capital.

On the other hand, whatever ſum of money is owing by one family or nation, or the members of one family or nation, to the members of a different family or nation, muſt impair the national or family circumſtances, in proportion to the amount of the debt.

Hence it follows, That the money owing by the Britiſh Government to the ſubjects of Great Britain, cannot, with propriety, be conſidered as a NATIONAL DEBT, becauſe it does not in the leaſt diminiſh the national property. The real debt of the nation can only be, The ſum of money owing by the people of Great Britain to FOREIGNERS;

REIGNERS; becauſe the payment of the principal or intereſt is effected, by ſending a valuable conſideration OUT OF the kingdom.

BY way of diſtinction, therefore, I ſhall conſider the money owing by government to people reſiding *abroad*, as the NATIONAL DEBT; and the money owing by government to *its own ſubjects* at home, as the DOMESTIC DEBT. From want of this important diſtinction, I account for the general miſtake which the world has been led into, by confounding the two accounts.

EXACTNESS in ſums not being neceſſary in this place, the DOMESTIC DEBT may be eſtimated at more than 200 millions; and the FOREIGN DEBT, as not exceeding 40 millions. The former of theſe bears ſo large a proportion

proportion to the whole, that, by attending to its operation, we may acquire juſt notions, how far the national proſperity has been advanced, or impeded by it: as it cannot be denied, that the exiſtence of ſo large an account muſt have had a conſiderable influence over the national affairs.

It may not be foreign to the ſubject, to inquire into the condition of the country *before* the debt exiſted. And though it will be eaſily proved, that the nation is much richer and happier, at preſent, it may not perhaps be admitted, from that conſideration alone, that the improvement is to be aſcribed to the operation of the debt. It affords, however, a ſtrong argument againſt the prevailing opinion, that the national debt is an *evil* proportioned to its magnitude.

WHILST the expences of government were confined, in a great meaſure, to the revenue ariſing from the eſtates in poſſeſſion of the crown, the property of the nation was in few hands, and the cultivation of the land much neglected; it yielding a ſufficiency, in its natural ſtate, to ſatisfy the wants of the owners. The ſtock and buildings upon it were but of ſmall value: and little could be reckoned on the produce of induſtry, there being but few people in circumſtances to conſume it. Hence, the bulk of the inhabitants were in a ſtate of abject dependence, and experienced every ſpecies of oppreſſion, in a land of freedom. Unconditional ſubmiſſion was the lot of extreme poverty, and every law in favour of liberty was ſuperſeded by the great law of neceſſity.

WHEN the uſual reſources were inſufficient to ſupply the exigencies of the ſtate, more frequent recourſe was had to TAXES: and as the money expended by government principally circulates at home, both in peace and war, being paid to thoſe who furniſh arms, clothing, &c. or who are in any other way employed under government, the augmented expenditure flowed in freſh channels, and became the property of new owners. By degrees, as the demands of government increaſed, the circulation of property became more general, and the induſtrious part of the nation poſſeſſed themſelves of the floating wealth, in exchange for the produce of labour.

As the property of the nation became, in this manner, more *divided*, it experienced likewiſe a conſiderable *increaſe*; if the abundance of the neceſſaries

neceſſaries and conveniencies of life, procured by induſtry, may be ſaid to conſtitute national wealth. When thoſe who had acquired a competency, wiſhed to diſengage themſelves from the fatigues of buſineſs, they realized their property, by laying it out in the purchaſe of land, or by lending it to the country, on the faith of government. This circumſtance gave riſe not only to an additional number of Land Owners, but likewiſe to a deſcription of people, whoſe claims to the national property are equally well founded; I mean, the PUBLIC CREDITORS.

FROM what has been advanced it muſt, I flatter myſelf, appear evident, that TAXES have a tendency to *increaſe* the property of the nation, by *dividing* it amongſt the community into ſmaller ſhares, and, from that circumſtance, increaſing

increaſing its circulation. And though the ſyſtem of funding may have leſſened the Ariſtocratic power, which was frequently exerciſed in diſturbing government, and oppreſſing the people, yet the complaints of a few individuals ſhould never weigh againſt national proſperity and happineſs, which are founded on a more equal diſtribution of the comforts of life.

EVERY million which has been borrowed, at different periods, by the Britiſh government from the ſubjects of Great Britain, has, in my opinion, been productive of national improvement; and the preſent DOMESTIC DEBT, though very conſiderable, yields an *increaſe* proportioned to its magnitude.

EVERY guinea iſſued from the public purſe, in its various ſtages of circulation

culation, gives birth to many times its own amount, in the produce of labour. The public creditor, with the money he receives from government, is enabled to give employment to the weaver, the ſhoe-maker, the tailor, and to many people in other occupations, as well as to thoſe who vend the neceſſaries and conveniencies of life. The ſame money is laid out, by the receivers, in the purchaſe of freſh articles adapted to their reſpective ſtations: and, whilſt thus employed, each owner furniſhes an addition of property to the general ſtock, which is viſible in the improved circumſtances of all claſſes of people.

The domeſtic debt is not only productive of plenty, but it diſpenſes to the people in general, protection and happineſs, by forming a connection of mutual advantage between the rich and

and the poor. This, rightly underſtood, will account for that growing proſperity, which has long confounded the political world; and, whilſt it is maintained, will afford an exception to the general remark, which aſſigns to nations their epochas of infancy, maturity, and decline; for, during its continuance, Great Britain's ſun will ever continue in its meridian ſplendor.

THE calamities occaſioned by the property of a nation being in few hands, have already been noticed, and are too obvious, not only from the hiſtory of this iſland, but from the preſent condition of thoſe countries, where ſuch inequality prevails, to need a further enlargement. And the fate of fallen empires ſufficiently inſtructs us, that the proſperity, founded on FOREIGN AID, is not to be relied on.

THE importation of wealth from TRIBUTARY COLONIES, without returning an equivalent, is deſtructive of domeſtic induſtry. Whenever, therefore, the ſupply is withheld, which may eaſily happen, from conqueſt, or ſome other cauſe, the want of internal reſources ſubjects the mother country to every ſpecies of wretchedneſs.

FORTUNATELY for Great Britain, her preſent circumſtances place her at a diſtance from theſe evils. The general diviſion of property makes the rich more numerous, but leſs powerful; affords them the means of purchaſing the produce of induſtry; but reſtrains them from ſupporting numbers in the habits of idleneſs.

ON the other hand, the poor are no longer dependent on precarious bounty for

for ſubſiſtence, but are enabled, from the great demand for the produce of labour, to feed plentifully on the fruits of their own induſtry; and, by an equal exchange of work for money, are freed from the gripe of oppreſſion, and feel their proper conſequence in the ſcale of ſociety.

THE intercourſe thus eſtabliſhed, betwixt the people of property and the induſtrious part of the nation, gives riſe not only to an abundance of the neceſſaries and conveniencies of life produced from home materials, but likewiſe renders the moſt valuable productions of FOREIGN COUNTRIES our own. This conſideration, without derogating from the importance of our export trade, may, perhaps, place the benefits reſulting from it in a point of view, to which ſufficient attention has not been paid.

WHILST the wealth of the nation was in few hands, the capitals employed in exporting the manufactures of the country to diſtant markets, were inconſiderable. And if that impediment could have been removed, by men of large landed property turning their attention to commerce, which was not likely to be the caſe, the people of Great Britain were not able to purchaſe the foreign articles procured for the goods exported. And it is a truth, which ſhould never be forgotten, "That the EXTENT OF OUR "EXPORT TRADE ever did, and ever "will, in a great meaſure, depend on "the NUMBER OF PEOPLE IN GREAT "BRITAIN THAT ARE IN CIRCUM-"STANCES TO CONSUME FOREIGN "PRODUCE."

As this matter is not perhaps ſufficiently attended to, it may not be unacceptable

acceptable to the reader, to have the leading occurrences in the voyage of a trading veſſel enumerated.

The Britiſh merchant, we will ſuppoſe, purchaſes from the manufacturers of different articles, the produce of labour, to the amount of £10,000, with which he obtains the cuſtomary credit. The moſt favourable foreign markets are viſited, and the goods ſold on the beſt terms. The veſſel returns, freighted with goods proper for the home market, which are either procured in *exchange* for the Britiſh manufactures, or *purchaſed* with the *money* ariſing from their ſale. The cargo is diſpoſed of for £18,000, in the Britiſh ports. After paying for the goods exported, for the uſe of the ſhip and her ſtores, together with the ſailors' wages, commiſſions, and the premiums of in-

 ſurance,

ſurance, amounting in the whole to £15,000, there remains due to the merchant, a neat balance of £3,000. It is immaterial to him, whether the imported cargo conſiſts of raw materials, articles of luxury, or the precious metals, provided there is an equal demand for them in this country. Raw materials are manufactured into goods, either to ſupply the home demand, or to be ſent out to furniſh other articles more acceptable, ſuch as wine, ſugar, rum, tobacco, fruit, &c. And ſo much of the precious metals as exceeds the wants of the country, is exported to purchaſe ſome other foreign produce, of greater value in the Britiſh markets.

THE induſtry conſumed AT HOME, affords a *direct* intercourſe betwixt the rich and poor. The connection is ſtill maintained, though *indirectly*, in the

the LABOUR EXPORTED, as it is paid for by the purchaſers of foreign produce, in Great Britain. Hence it is evident, that our FOREIGN TRADE owes ITS EXTENT to THE INTERNAL CIRCULATION OF PROPERTY: a remark, which is confirmed by experience; as our EXPORT TRADE has increaſed with the increaſe of the national debt, and may be conſidered rather as the OFFSPRING, than the PARENT, of national proſperity.

THE American war, independently of the loſs of lives, and of the colonies, the latter of which is not perhaps much to be regretted, never appeared to me of that ruinous tendency, with which it has generally been charged: and I will venture to hazard an opinion, which, though ſingular, may not be ill-founded—That this king-

dom was *richer* at the *close*, than at the *commencement*, of the war.

In taking a view of the wealth of the nation, at these two periods, no part of the debt, which was borrowed from people in Great Britain, can possibly be admitted on the unfavourable side of the account; it having already been made to appear, that the property of the country, let the sum be ever so considerable, cannot be impaired by that circumstance. The property of the nation can only be charged with the INCREASED DEMANDS OF FOREIGNERS during the war, which are allowed not to amount to many millions; and will be more than compensated on the favourable side of the account.

The method which seems most likely to do justice to the subject, is, to

to have recourſe to the practice prevalent amongſt people in trade, of taking ſtock at ſtated periods. I muſt beg the aſſiſtance, therefore, of the diſcerning and ſenſible part of the nation, in this important work. And, as ſmall objects are not to be regarded, I appeal to them, if the land was not in a better ſtate of cultivation—if, from that circumſtance, the cattle and other ſtock upon it, were not more valuable—if the public buildings, the warehouſes, the ſhops, together with the dwelling houſes, barns, and other edifices, were not more numerous and commodious—if the property in ſhips, and in every thing appertaining to them, was not increaſed—if the public and private roads were not in much better repair—if the canals for the accommodation of trade, were not extended—and if the manufactures of the country were not more conſiderable,

able, at the *end*, than at the *beginning* of the war.

THE exiſtence of the FACT may ſufficiently apologize for the peculiar ſentiments, which the writer has formed on this ſubject. Yet the reader may expect, that ſome cauſe ſhould be aſſigned for ſo unexpected an event. Now although the prevailing opinion is, that the nation has been preſerved from ſinking under the preſſure of her debt, by the exertions of induſtry and ingenuity; in this inſtance, as well as in thoſe already enumerated, I contend, that the INCREASED DEBT has had the principal merit of mending the face of the country, by giving birth to the ADDITIONAL INDUSTRY AND INGENUITY ſince that period. The money borrowed by government was not loſt to the country. A great part of it was paid to thoſe contractors,

merchants,

merchants, and manufacturers, who provided arms, horſes, cloathing, proviſions, ſail-cloth, and every other article wanted to carry on the war; and thus came into general circulation. The money paid to the army, and navy, which was *ſpent in this country*, did not impair the national property.

On the other hand, the writer admits, that a quantity of ſpecie was ſent to America, to pay the troops. This has been eſtimated at a million ſterling. But the increaſed circulation of property, ariſing from the internal expenditure, enlarged the boundaries of induſtry and ingenuity ſo much, that the increaſed Britiſh manufactures not only paid for the foreign articles conſumed upon the war, but were ſent out in purſuit of the exported treaſure. And in leſs than a year after peace was reſtored, America ſaw herſelf completely

pletely drained of Britiſh coin, which *came back to the mother country*.

THE intereſt of the foreign debt is provided for from the ſame ſource; from the exceſs of induſtry exported, which more than pays the demands upon government: as appears by the general balance of trade in favour of Great Britain.

ANOTHER circumſtance, in ſupport of the opinion which is hazarded, may merit attention: which is, that the miniſter borrowed money with greater facility and on lower terms, at the *decline*, than in the *infancy*, of the war.

SHOULD any of my countrymen ſtill retain a fondneſs for their old ſentiments, and object to the account here ſtated, as not being properly witneſſed, there

there will be no difficulty in getting it atteſted, by the French, Spaniſh, Dutch and American nations. Long after they deſpaired of ſubduing Britiſh *valour*, the unequal conteſt was maintained, in hopes that the *expence* attending it would, in a little time, oblige the nation to unman her fleets, and to diſband her armies; till they beheld, with horror and amazement, new ſources of wealth eager to be employed in the public ſervice. Hence they concluded, that Britiſh *courage*, and Britiſh *reſources*, are equally inexhauſtible.

THE two principal objections to TAXES are, that, in the firſt place, they fall heavy on the poor: and that, in the ſecond place, they enhance the price of labour, and by that means cramp the foreign trade.

BUT

But the force of theſe objections will be very much weakened, when it is conſidered, that the taxes in Great Britain are more conſiderable, than in any other country, except Holland; and yet, that the poor are better fed, clothed, and lodged, and that more of the works of induſtry are exported from hence, than from any other part of the world. It cannot be denied, that taxes advance the price of labour, and the neceſſaries of life: but it muſt likewiſe be admitted, that the ſame circulation of property which they occaſion, effected by ANY OTHER CAUSE, would advance them equally. It is not the preſſure of the DEBT, which increaſes the expence of living; but the RICHES generated by it. For it is obſervable of all poor countries (Ireland, for inſtance) that proviſions and labour may be had there on lower terms, than in the ſeat of opulence.

THE

THE price of labour is much more increaſed, within the preſent century, than the expence of living. This is allowed by every ſenſible writer on the ſubject; and is an inconteſtable proof, that the circumſtances of the induſtrious part of the nation are improved, and that every apprehenſion on their account is ill founded.

THE foreign trade is in the ſame ſituation. It is extended, and not cramped, by TAXES, in the manner before explained. And if the wages of the poor ſhould become double of their preſent amount, owing to a FURTHER INCREASE of the DOMESTIC DEBT, as this would be attended with an increaſed circulation of property, the induſtry exported would increaſe nearly in the ſame proportion.

THE writer repeats again, for fear ſo material an obſervation may not have its due

due weight, that THE QUANTITY OF INDUSTRY IN THE KINGDOM WILL EVER, IN A GREAT MEASURE, BE PROPORTIONED TO THE QUANTITY OF CIRCULATING PROPERTY. It is not any thing peculiar to the ſoil, or climate, of this iſland, that renders it famous for ingenuity and induſtry. The inhabitants are, by nature, endued with the ſame faculties as their neighbours; and, if they were under ſimilar circumſtances, it would require a conſiderable ſtock of national prejudice to ſuppoſe, they would diſplay a greater ſhare of either. The encouragement afforded to the exertions of induſtry and ingenuity, by the floating wealth of the country, calls forth theſe friendly powers, and makes Britiſh manufactures perfected at leſs expence, than in places, where the price of labour is much lower.

At preſent, the ſuperiority of Great Britain, in this reſpect, over every other country, is univerſally acknowledged. And to ſhew how little is to be feared from rivalſhip abroad, the Britiſh merchant generally charges the WHOLE PROFIT of the voyage on the ARTICLES OF EXPORT; which could not poſſibly be done, if the ſame quality of goods, from other countries, could be purchaſed cheaper.

That no injury can poſſibly happen to the foreign trade, from the operation of the domeſtic debt, though much greater than at preſent, the writer is ſo confident, that he wiſhes to give complete ſatisfaction to the reader on this point, by admitting a caſe never likely to happen: which is, that taxes may be increaſed ſo much, as to render the produce of labour, when exported, higher than from any

other country—This is the period, which is generally imagined to be faſt approaching; and which, when arrived, is expected to be attended with very unhappy conſequences to the nation. Experience, however, ſtrongly oppoſes this apprehenſion; as is evident from what has been ſaid, reſpecting the uſual practice of the merchant, who charges the profit of the voyage on the manufactures exported.

Let us, therefore, ſuppoſe the reverſe to take place; and from an increaſed circulation of property, ariſing from freſh taxes, let us imagine, that the goods, which coſt the merchant £10,000 in the Britiſh markets, will not bear an advance abroad, owing to foreign rivalſhip. The merchant either ſells the articles of export at prime coſt; that is, for £10,000: or exchanges them for other articles intended

tended for home conſumption, which are only valued to him at £10,000. As the circumſtances of the people at home are not, if our principle be right, impaired by the increaſe of the domeſtic debt; but as, on the other hand, the conſumers of foreign produce are increaſed; the Britiſh merchant will meet with no difficulty in obtaining £18,000 for the IMPORTED CARGO. This ſum, after paying all the expences attending the voyage, will be productive of the ſame balance in his favour, of £3,000, as if he had ſold the EXPORTED CARGO for £18,000, and had obtained prime coſt for the articles of IMPORT.

IN either caſe, there is the ſame quantity of induſtry ſent abroad, and the ſame quantity of money paid by the Britiſh conſumers at home, for the foreign articles. But as the ability of

the nation to conſume them would be increaſed, and the quantity imported leſſened, from this new circumſtance, an extra quantity of induſtry would be exported, to ſupply not only the deficiency, but likewiſe the increaſed demand for foreign produce.

Or, let us put the caſe in another point of view. The raw material, which coſt the nation, on importation, £1,000, is at preſent, we will ſuppoſe, charged to the merchant, when manufactured into goods, at £5,000; and ſold by him in foreign markets, for £9,000. From a ſuppoſed advance in the price of labour to double the preſent amount, the raw material, when manufactured, will coſt the merchant £9,000, which he is under the neceſſity of ſelling at prime coſt, owing to a competition in the foreign market.

In

In the former inſtance, the profit of the voyage was charged on the article of EXPORT, and the foreign produce ſold in the Britiſh markets for prime coſt, that is, £9,000. In the preſent caſe, the profit of the voyage muſt be laid on the ARTICLES OF IMPORT; and, in order to nett the merchant the ſame balance, the IMPORTED CARGO muſt ſell in the Britiſh markets for £13,000. The foreign produce, which at preſent coſts the nation only £9,000, will unavoidably be advanced £4,000; but this will not at all cramp the national circumſtances, or leſſen the ability of the people to conſume the ſame quantity of foreign produce, even at the advanced price: for in the former inſtance, the nation only charged a profit on the goods exported of £4,000; and in the latter, the profit to the nation proves to be £8,000. In either caſe, there is the ſame quantity

of induſtry exported, and the ſame importation of foreign produce; and the £4,000 advance on the articles of import, is paid with the additional £4,000 charged on the articles of export.

FROM this ſtate of the caſe, which is, I truſt, unexceptionable, no injury can poſſibly happen to the foreign trade from the high price of labour. On the contrary, the increaſed circulation of wealth, from which only wages can be advanced, will occaſion an increaſed conſumption of the produce of induſtry, and of foreign articles; and the export trade, by theſe means, will be greatly extended.

THE only danger to be feared, and which it behoves government at all times to guard againſt, is, that our leſs opulent neighbours will endeavour,

vour, by SMUGGLING, to avail themſelves of the exceſſive wealth generated by an unbounded circulation.

IT cannot be denied, that taxes narrow the circumſtances of many individuals. The ſame objection, however, may be applied to any ſyſtem of government, or even to any diſpenſation of Providence, which involves in it the concerns of millions. And it is preſumed, that no ſound argument can be adduced againſt their exiſtence, if it appears, that their operation is productive of national proſperity, and general happineſs.

PROVIDENCE has, conſiſtently with unerring Wiſdom no doubt, ſtrongly attached human nature to ſelf-intereſt. Regardleſs, therefore, of the partial effects which the growing debt may have had on the community, there

would be but few advocates for its extinction, provided a general conviction prevailed, that it would be attended with greater inconveniencies than are experienced at preſent. Before ſuch a perſuaſion can be eſtabliſhed, there are obſtacles to ſurmount of conſiderable magnitude, ariſing from cauſes, which have taken deep root in the human breaſt. A taxed income, accompanied with an advance of the neceſſaries and conveniencies of life, are circumſtances ſo ſtrong and ſelf-evident, that people would deem it an inſult offered to their underſtandings to reaſon upon them. Under ſuch a difficulty, the only chance of ſucceſs lies in oppoſing gain to loſs, by producing a larger ſum from the operation of the debt, than is paid by the country towards its ſupport.

PRESUMING

PRESUMING that a degree of aſſent has been obtained to what has been advanced, reſpecting the diviſion of landed property into ſmaller ſhares, and the increaſed circulation of wealth, occaſioned by taxes; another truth, being univerſally allowed, will not require much pains to ſupport it, viz. that the trade of the country, derived from the ſame ſource, has within the preſent century more than doubled the price of labour, and the value of the land. And, as contrary cauſes are productive of contrary effects, a reduction of the domeſtic debt, or which is the ſame thing, of the circulation of property, would, according to my principle, leſſen not only the price of land and of labour, but likewiſe the demand for the produce of induſtry, and of foreign articles: and thus would very much cramp both our home and foreign trade.

I WOULD therefore aſk the land-holder, if he would not rather ſubmit to pay a fifth part of his income in taxes, than have his rent roll reduced one-third. The manufacturer, it may be ſuppoſed, whoſe object is gain, would rather comply with the demands of government, than be without national debt, and without cuſtomers. Nay, I would aſk the mechanic, if it be not his intereſt to pay a trifle out of his earnings, for the benefit of light, and other neceſſaries, in order to enable him to proſecute his work; rather than be free from theſe incumbrances, and without employment. Every profeſſion and occupation in life, dependent on the proſperity of the country, would be alike injured by a reduced circulation of property.

THE writer is ſenſible, that hiſtory furniſhes many inſtances of nations, which

which have ſoared to wealth and power from other cauſes, than either the circulation of property, or a public debt. The records, however, which bear ſuch favourable teſtimony of their elevation, afford, likewiſe, a melancholy proof of their fall; and give riſe to a conjecture, that ſome defect in their conſtitution reduced them to a level with countries of weakneſs and poverty.

THE ſpoils of *victory* may, for a time, advance a people to the ſummit of affluence; but proſperity, acquired by the ſword, will not bear either a reverſe of fortune, or a period of repoſe: and when the ſupplies from the vanquiſhed are at an end, the ſource of wealth is dried up, and the trophies of war may be viewed as monuments of departed greatneſs.

An influx of wealth derived from *foreign commerce* has, likewiſe, frequently been productive of temporary ſplendour; which, however, ſhortly diſappeared, after the country enriched by it had excited the envy or jealouſy of rival ſtates. Where there is not an internal conſumption proportioned to the quantity of induſtry produced, prohibited markets, or a competition in them, will ſoon deſtroy the monopoly which is the principal dependence of ſuch a nation, and deprive the people, at once, of their wealth and conſequence.

Great Britain's proſperity, if not impaired by unſkilful friends, promiſes a longer reign. Her implements of *induſtry* are more productive, than victorious *arms*; and more to be relied on, as the produce of the former benefits the places to which it is ſent; whilſt

whilſt the latter marks them with deſolation. Neither is it in the power of *rival ſtates* to injure either our foreign or domeſtic trade, whilſt the circulation of property is maintained, and Britiſh conſumption is ſupplied by Britiſh labour, under the protection of the Navigation Act.

THE great demand, in this country, for foreign produce, ſtamps a value on the articles of export, and ſecures a favourable reception, and ready ſale to her manufactures abroad; and the beſt ſecurity for the continuance of the trade is, that it is founded on the broad baſis of general utility.

IT might have been the lot of this iſland, to have acquired a conſiderable ſhare of conſequence, and poſſeſſed many reſources, without a public debt. All that I endeavour to prove

prove is, that the operation of this has greatly augmented the reſources, and advanced the conſequence of the nation; and that the connection which the debt has eſtabliſhed betwixt the rich and poor, in the manner already ſhewn, has raiſed Great Britain to a level, at leaſt, with the moſt powerful empires in the univerſe.

If a public debt has a tendency to cramp the proſperity of a nation, from whence does it ariſe, that the moſt flouriſhing nations in Europe are thoſe, that pay the moſt taxes?

It is the opinion of many people, who place a much higher value on their rights and property, than on thoſe of their neighbours, that Great Britain will never be the ſeat of happineſs, till a ſponge is applied to the national ſcore, and the public debt,

and

and the public creditors facrificed together. Such a meaſure is ſo repugnant to every principle of juſtice and of humanity, that I even cannot admit the caſe, to build an argument upon. But, in order to meet ſuch unprincipled politicians on fair ground, let us ſuppoſe, that, actuated by a miſtaken zeal in the favour of their country, the public creditors come forward, and make a voluntary tender to government of all their claims due upon it; and that, in a moment, without a ſhilling's expence, the nation is freed from the imaginary burden.

WILL not thoſe who are moſt adverſe to the exiſtence of a national debt, allow that this would be, of all others, the moſt eaſy and moſt deſirable way of getting rid of it; and would they not expect, that the good

effects

effects would be immediately viſible? Notwithſtanding the writer accepts of the moſt unfavourable ground, yet he is willing to make a ſtand even here; and doubts not, that the injury would not only be inſtantaneous, but laſting.

I HAVE, from the firſt, ſet aſide the conſideration of the FOREIGN DEBT; and cannot imagine, in the preſent inſtance, that the ſame friendly diſpoſitions would be exerciſed by the CREDITORS ABROAD. Their demands, therefore, together with the expences of government, would remain the ſame. Two hundred millions of the debt would be done away, and the nation freed from taxes, nearly to the amount of eight millions annually.

THE triumph will be of ſhort duration, however, when it is conſidered, that there is no acceſſion of property

property accruing to the nation from this circumſtance. The land, the buildings, &c. would be preciſely the ſame. Four hundred thouſand public creditors, members of the ſame family, ſuppoſing, on an average, each creditor has £500 in the funds, together with their families and dependents, would loſe the principal, and the nation ſave the intereſt, of the debt. But let us attend to the conſequences. The eight millions, which were paid to the public creditors, and circulated by them amongſt the various claſſes of the community, gave riſe to many times their own value, in the produce of labour: and thus effected an annual increaſe of the national revenue, to the amount, at leaſt, of 40 millions; which are more than a third of the whole landed and commercial revenues of Great Britain.

It may be urged, on the other hand, that the circulation would be main-

 tained,

tained, owing to the improvement in the circumſtances of the landholders, and other people of property, by the diſcontinuance of the annual payment of the eight millions. But this ground will be untenable, when it is conſidered, that the loſs of one million of cuſtomers, reckoning the public creditors together with their families and dependents to amount to that number, will leſſen every income ariſing either from landed property, trade, labour, or any profeſſion or occupation, much more, than the amount of the taxes paid to the home creditors. The reſult of ſuch a change, in the national circumſtances, ſpeaks forcibly againſt the policy of the attempt, in any ſhape; as nothing can be more plain, than that it would entail ruin on a conſiderable part of the inhabitants, injure the condition of the reſt, and rob the country of thoſe reſources, which have raiſed it to the firſt rank in the ſcale of nations.

If any thing, leſs than dear-bought experience, is powerful enough to remove deep rooted prejudices from the minds of men, the arguments already adduced may be expected to carry conviction along with them. Some danger, however, is to be apprehended from an opinion which is prevalent, that by paying off the public debt in SMALL SUMS ANNUALLY, there will be an increaſe of property in the nation, equal to the amount of the debt diſcharged; and that this will be employed in extending the trade, and conſequently the proſperity, of the kingdom.

If this can be clearly made out, ſuch a ſyſtem of finance, undoubtedly, merits every ſupport that can be given it. But thoſe who are pleaſed to give their attention to the ſubject, will find a proſpect leſs captivating; and will foreſee, that the poiſon, though admini-

ſtered in ſmall portions, and though its effects be not ſo viſible, will, in the end, prove as fatal to the body politic, as if taken at one draught. Is there a ſufficiency of unclaimed land reſcued from the ocean, which forms a part of this iſland? Or are the royal foreſts ſo extenſive, that the public creditors can have their demands ſatisfied? Even if this kind of payment were practicable, the reduced circulation of property attending it would render the meaſure an impolitic one. Or, does Great Britain contain in her boſom a gold mine, which promiſes to yield a ſum equal to the large account? If ſuch a treaſure were explored, ſhe could not do her ſons a greater injury, than to truſt it into their hands.

FORTUNATELY for the nation, however, no ſuch reſources offer. The exceſs of revenue is to be applied towards

wards paying off the debt: or, in other words, the offspring has the inhuman taſk allotted it, of deſtroying its own parent.

THAT the debt may be paid, is admitted: but as it was contracted, by taking the property of the nation FROM THE HANDS OF A FEW, and DISTRIBUTING IT AMONGST THE MANY, the payment can only be effected, by DRAWING IT BACK again from the hands of the MANY, and placing it with a FEW: and this will unavoidably ſubject the nation to the ſame degree of poverty and wretchedneſs, which it experienced before the debt exiſted.

THIS will, I truſt, appear evident, when it is conſidered, that it is intended to pay off 240 millions with a very ſmall part of the circulating ſpecie,

ſpecie, the whole of which does not exceed 30 millions. And, when the payment is completed, the moſt ſanguine promoter of the ſcheme does not expect, that there will be either an additional acre of land, or an additional guinea in the kingdom.

Of what then, may it be aſked, is this ſuppoſed acceſſion of property to conſiſt? And where to be veſted, when the funds are extinct? It has already been made appear, that the value and quantity of the produce of labour or manufactures, both for the home and foreign trade, depend on the number of people in Great Britain in circumſtances to conſume, either the articles of induſtry, or of foreign produce procured in exchange for the merchandize exported. Inſtead, therefore, of making room for freſh property, if any could be found, the preſent commercial capital will be more

more than ſufficient to anſwer the demand; and will loſe a great part of its preſent value, in the loſs of cuſtomers.

THE Britiſh property in trade is very conſiderable, and may be depended upon, whilſt it can be ſold, or exchanged, for a certain quantity of ſpecie, or for the neceſſaries of life. But when theſe are not attainable, or only in a ſmall degree, the fortunes that are employed in manufactures and commerce, will elude the graſp of the owners, and the works of art and ingenuity fall a ſacrifice to a partial diviſion of the national wealth.

A PLAN of finance might eaſily be ſuggeſted, more conſonant to the circumſtances of the country, and equally calculated to preſerve peace, and maintain war, without hurting the feelings of the people by freſh taxes. This the

the writer will gladly communicate, when there is a proſpect of its being of uſe; but he forbears to treſpaſs further on the patience of the reader, whilſt there are ſuch ſmall hopes that the preſent ſyſtem, adopted by a popular miniſter, and countenanced by every order of ſociety will be abandoned.

ARGUMENTS drawn by a ſingle pen, and militating againſt a favourite object, are not likely to make any great impreſſion. There is too much reaſon to fear, that the bleſſings of peace will be imbittered by the loſs of that national vigour, which an hoſt of foes was unable to impair in time of war; and that Britannia will be left to mourn the poverty entailed upon her, by the miſtaken policy of her own children.

THE END.